



HOUSE OF REPRESENTATIVES

HB 2104

ASRS; retention of credited service

Prime Sponsor: Representative Lovas, LD 22

DP Committee on Government and Higher Education

DP Caucus and COW

X As Transmitted to the Governor

OVERVIEW

HB 2104 is an emergency measure that provides for the retention of credited service for certain members of the Arizona State Retirement System (ASRS).

PROVISIONS

1. Stipulates that an employee in a position that was exempt from ASRS membership retains credited service for the period of employment that the employer remitted ASRS contributions on the employees' behalf.
2. Allows, retroactive to July 1, 2015, a retired ASRS member to return to work as a state elected official who is subject to term limits and still be eligible to receive retirement benefits.
3. Contains an emergency clause.
4. Makes technical and conforming changes.

CURRENT LAW

ASRS membership includes the State of Arizona, the three state universities, community college districts, school districts and charter schools, all 15 counties, most cities and towns, and a variety of special districts. [Laws 2014, Chapter 44](#) eliminated the requirement that ASRS members must be covered under a Social Security 218 Agreement and allowed them to remain in ASRS but with credited service commencing July 24, 2014. *Credited service* is defined as the number of years standing to the member's credit on the books of ASRS during which the member made the required contributions ([A.R.S. § 38-711](#)). ASRS allows retired members to return to work and still be eligible to receive retirement benefits if all the following requirements are met: 1) the member has attained the normal retirement age; and 2) the member has been retired for a full calendar year ([A.R.S. § 38-766.01](#)).

ADDITIONAL INFORMATION

A Social Security 218 Agreement is a voluntary agreement between the state and the Social Security Administration to provide Social Security and Medicare Hospital Insurance (HI) or Medicare HI-only coverage for state and local government employees ([42 U.S.C. 418](#)).